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C O N F I D E N T I A L SECTION 01 OF 02 WELLINGTON 000813

SIPDIS

STATE FOR D (FRITZ), EAP/ANP, EAP/EP, EAP/RSP, INR/EAP
NSC FOR VICTOR CHA AND MICHAEL GREEN
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TAGS: [PGOV](#) [PREL](#) [NZ](#)

SUBJECT: NEW ZEALAND PRIME MINISTER ANNOUNCES NEW CABINET

REF: WELLINGTON 806

(U) Classified by: Charge d'Affaires David R. Burnett, for reasons 1.4(b) and (d).

Summary

[11.](#) (C) New Zealand Prime Minister Helen Clark on October 19 unveiled a new Cabinet dominated by familiar faces, with veteran members of Parliament named to the top seven positions. None of the Cabinet assignments is particularly controversial. However, the one controversial choice -- the appointment of New Zealand First leader Winston Peters as foreign minister outside of Cabinet, announced October 17 -- continued to stir public debate. The naming of Phil Goff, the former foreign minister, to several externally-focused cabinet positions, including trade and defense, ensures his continued hand in foreign policy and, perhaps, a role in serving as a check to Peters. Meanwhile, Clark also signaled a heightened concern for national security by also naming Goff to minister of defense, the first high-ranking Cabinet member in years to get that assignment. Annette King, who numbers among Clark's closest confidantes, becomes minister of police and the first-ever associate minister of defense. End summary.

Goff taking one for the team

[12.](#) (C) If Cabinet were an airplane, then Phil Goff must feel as if he were asked to exchange his first-class seat for one in coach. In relinquishing his prime foreign affairs portfolio to Winston Peters -- in what many assume was a trade for New Zealand First's essential support in forming a Labor-led government (reftel) -- Goff now takes on an array of lower status externally-oriented ministerial assignments: trade, trade negotiations (when the incumbent Minister Jim Sutton retires the portfolio at the end of the year following the Doha Round talks), defense, and disarmament and arms control. He continues as minister of Pacific Island affairs.

Yet still influential

[13.](#) (C) In explaining Goff's place in the new Cabinet, Prime Minister Clark asserted that Goff's vast experience and credibility in international relations would be invaluable in his new portfolios. Although his mandate no longer includes the formulation of foreign policy per se, he nonetheless will have a significant influence on external policies. Given that trade is essentially the load-bearing column of New Zealand's foreign policy platform, Goff's role in steering trade policy and trade negotiations enables him to continue exerting influence on important foreign policy issues.

[14.](#) (SBU) Cabinet is the final arbiter on foreign affairs matters, and Goff remains among the top five cabinet members. While Peters manages the foreign affairs portfolio, he will be absent from Cabinet unless asked. Thus, he may have little influence on its policy debates and decisions. One academic criticized the appointment outside Cabinet as sending a bad signal to the rest of the world on the importance that New Zealand attaches to its foreign affairs. Others questioned the appropriateness of appointing a foreign minister who has been known to oppose immigration, specifically of Asians.

A safeguard to Peters?

[15.](#) (C) Goff's capture of the other externally-oriented portfolios could indicate that Clark views Goff as a check or safeguard to prevent possible free-lance activity by Peters in his role as foreign minister. Goff has more experience than Peters in the conduct of foreign relations and the formulation of foreign policy. Nevertheless, Peters' position outside Cabinet leaves him unshackled to Labour's policies and agenda. Ultimately, as New Zealand First's leader, he has the ability to bring down the Labour-led government.

A better reception at Defense

[16.](#) (C) New Zealand defense officials will likely welcome

Goff's appointment to the defense portfolio, replacing Mark Burton who becomes justice minister. Burton's time in charge of the portfolio was troubled by controversy over procurement problems and criticism for failing to maintain the country's defense capabilities. Goff enjoys greater credibility on global affairs and has a "safe pair of hands."
The remaining distribution of portfolios

17. (C) The troublesome police portfolio has gone to Annette King, along with that of State Services that includes coordinating responsibility for race relations. Steve Maharey takes the education portfolio. As expected, Deputy Prime Minister Michael Cullen keeps the finance portfolio, but also takes charge of tertiary education. The new health minister is Pete Hodgson, who had been training for the role as an associate. Together with Goff, these top-tier ministers are widely recognized as the most accomplished.

18. (C) Cabinet's third-ranked minister, Jim Anderton -- leader of the Progressive Party, which is in coalition with Labour -- has been handed agriculture, biosecurity and fisheries. Trevor Mallard, formerly education minister, takes over the economic development portfolio, previously held by Anderton. Lianne Dalziel -- returning to Cabinet after a spell on the back benches -- is the new minister of commerce. At number 15, she is the highest-ranked of the new Cabinet ministers. There are five other new faces among Cabinet's 21 members.

19. (U) Other changes include Damien O'Connor, who previously was a minister outside Cabinet and is now the minister of corrections and minister of tourism. David Cunliffe, who was also a minister outside Cabinet, takes the immigration portfolio. Nanaia Mahuta is customs minister, and Clayton Cosgrove is the minister for building issues.

110. (C) The big mover into the Cabinet ranks is David Parker, who is one of the few Labour MPs with a legal background. Parker becomes energy minister, transport minister, attorney general and the minister responsible for climate change.
Burnett